



# EXPANDING OPPORTUNITIES

for Small Disadvantaged Businesses



## The Issue

The Mentor-Protégé Pilot Program was established by former U.S. Senator Sam Nunn and implemented by former Secretary of Defense William Perry. Major DoD prime contractors were concerned that many Small Disadvantaged Businesses (SDBs) did not possess the technical capability to perform as DoD subcontractors, thus making it difficult for prime contractors to achieve their SDB subcontracting goals.

## The Mentor-Protégé Pilot Program

The Mentor-Protégé Pilot Program provides incentives for major Department of Defense (DoD) contractors to furnish disadvantaged small business concerns with assistance designed to enhance their capabilities to perform as subcontractors and viable suppliers under DoD contracts and other federal government and commercial contracts.

Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510), directed DoD to establish a pilot program called the "Mentor-Protégé Program." The program was approved for implementation by the Under Secretary of Defense for Acquisition, Technology and Logistics (USD (AT&L)) on November 31, 1990, and is now administered by the Office of Small Business Programs.

The aim of the program is increased participation by Small Disadvantaged Businesses (SDBs) as DoD prime contractors and subcontractors, and the formation of long-term business relationships that benefit DoD.

***"Benefitting DoD through increased participation of Small Disadvantaged Businesses as prime contractors and subcontractors"***

## A Win-Win Solution

Through the Mentor-Protégé Pilot Program, large firms (mentors) receive incentives to furnish technical and business assistance to SDBs, women-owned small businesses, firms that employ severely disabled persons, and the newly added subgroups of service-disabled veteran-owned small businesses, and qualified HUBZone firms (located in historically underutilized business zones). The incentives received by eligible mentors are either a direct cost reimbursement or credit against subcontracting goals for costs incurred.

The appropriated program funds are centrally controlled by the Office of the Secretary of Defense (OSD), however, participating Services and component agencies have been delegated approval authority for new reimbursable agreements. Credit agreements are administered by the Defense Contract Management Agency (DCMA). In accordance with the amendments made to Section 841 and Section 842 of the National Defense Authorization Act for Fiscal Year 2005, the Mentor-Protégé Program was extended for five years through September 30, 2010, with reimbursement of costs incurred and credit towards subcontracting goals allowed until September 30, 2013.

## Eligibility Criteria



Each firm selected to be a mentor must have at least one active subcontracting plan and be eligible for the award of federal contracts. Those firms selected as protégés must meet the eligibility of a certified SDB through the Small Business Administration, a women-owned small business, an organization that employs severely disabled persons, a service-disabled veteran-owned small business or a qualified HUBZone small business concern.

